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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

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**Report Highlights:**

Domestic and export prices were under downward pressure as the Government aggressively released intervention stocks. The Government will retender the balance of the unsold intervention stocks of 1.4 million tons on November 28. The MY2008/29 intervention program slowly absorbed the paddy due to the delay in the payment. In addition, foreign demand for Thai rice is quiet as the prices remain over \$100/MT higher than Vietnamese rice.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Nov. 24):**

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	790	800	845	-	800	730	-	793	809
WR 100 B	560	600	600	560	590	560	590	580	585
PB 5%	-	585	580	560	590	560	580	576	578
WR 5%	540	585	580	540	560	530	580	559	566
WR 10%	530	-	-	-	-	522	-	526	535
WR 15%	475	-	-	-	-	500	-	488	493
WR 25%	450	-	-	-	-	445	-	448	455
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	295	-	-	-	310	320	310	310	314
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 35.0 baht/U.S.\$									

**Market Tone**

Export prices declined slightly by 1-2 percent. Also domestic prices are under downward pressure as the Government decided last week to release 1.6 million tons of old-crop intervention stocks in the November 5<sup>th</sup> tender of 3.0 million tons. Of the total stock release, 1.1 million tons are white rice for export and 0.5 million tons are fragrant rice for domestic market. Most of white rice is 5% grade quality from 2005/06 – 2006/07 crops at an average bidding prices of around 11,265 baht/ton (\$322/MT). Meanwhile, average bidding prices of fragrant rice were approximately at 16,600 baht/ton (\$474/MT).

In addition, the Government will retender the balance of the unsold intervention stocks of 1.4 million tons on November 28, of which 1.2 million tons are white rice for exports, and 0.2 million tons are fragrant rice and Pathumthani fragrant rice for domestic or export market. However, the retender is expected to be less attractive, particularly for white rice, as around 800,000 tons of white rice are 5% grade quality of 2007/08 second-crop intervention stocks which were absorbed at record intervention prices of 14,000 baht/ton of paddy (\$400/MT), as compared to current market prices of around 9,000 baht/ton (\$257/MT). The balance of white rice of around 379,000 tons are 25% grade quality of old crops (mostly 2004/05 – 2005/06) which reportedly do not have export market as the market prefers new-crop rice. Also, foreign demand for Thai rice is quiet as the prices remain over \$100/MT higher than Vietnamese rice.

The MY2008/09 main-crop intervention program has slowly bough paddy due to the payment delay, as the Government is facing difficulties in liquating MY2007/08 second-crop intervention stocks (4.2 million tons of paddy valued at 54 billion baht (\$1.5 billion)) which were absorbed by the Bank for Agriculture and Agricultural Cooperative (BAAC) at record intervention prices of 14,000 baht/ton (\$400/MT), as compared to current market prices of 9,000 baht/ton (\$275/MT). So far, the program bought less than 100,000 tons of paddy worth 900 million baht (\$26 million). The BAAC just got a credit line of around 100 billion baht (\$2.9 billion) from other state-owned banks and commercial banks under the government guarantee to support the intervention program last week.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Sep 28	133,622	130,240	6,384	4,060	57.3
Oct 5	88,544	119,470	6,472	4,238	52.7
Oct 12	96,178	111,040	6,569	4,411	48.9
Oct 19	132,978	112,830	6,702	4,604	45.6
Oct 26	71,415	97,279	6,773	4,807	41.0
Nov 2	54,637	64,757	6,754	5,005	36.4
Nov 9	81,977	85,252	6,836	5,209	31.2
Nov 16	87,896	73,981	6,997	5,405	29.4
Nov 23	51,310	68,955	7,049	5,614	25.6

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Nov. 17-23, 2008 totaled 51,310 tons down 36,585 tons from the previous week, and down 17,645 tons from the four-week moving average of 68,955 tons. Exports during Jan. 1 – Nov. 23, 2008 totaled 7,048,788 tons, as compared with 5,613,532 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Nov. 7, 2008, amounted to 9,101,241 tons, up 20.75 percent from 7,536,989 tons in the previous year.

## Weekly Rice Sales

Private registered rice export sales for the period of Nov. 3-7, Nov. 10-14, and Nov. 17-21, 2008 are as follows:

Movement (MT)	Nov. 3-7	Nov. 10-14	Nov. 17-21
Weekly sales	80,650	30,795	30,678
4 week sum	234,835	212,435	209,763
4 week mov. avg.	58,709	53,109	52,441
Total weekly sales	6,233,897	6,264,692	6,295,370

End of Report.